

An inquiry conducted by a committee headed by Chairman, CEA also revealed that there was not adequate maintenance of the substation equipments and transmission lines by the UPPCL which resulted in the tripping of the transmission lines of the State.

(c) and (d) The alleged irregularities in the contracts of transmission lines of UPPCL have been got investigated by the Government of Uttar Pradesh through IO (Vigilance). A further inquiry has been ordered by the State Government through the Vigilance Establishment of the State.

Recommendations of Coelho Committee

3563. SHRI B.J. PANDA: Will the Minister of POWER be pleased to state:

- (a) whether Government have examined the recommendations of Coelho Committee;
- (b) if so, the details thereof;
- (c) the reaction of Government thereto; and
- (d) the steps taken to implement the recommendation of the Coelho Committee?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMA N JAYAWANTI MEHTA): (a) to (d) A Single Member Committee under Shri S.J. Coelho was appointed by the Government in September 1997 to make recommendations on the legal/administrative/financial framework relating to private sector participation in power distribution. It submitted its report to the Government in March, 1998. The Committee analyzed the different models of private sector participation in distribution and the sequence of steps that would be needed to be undertaken for implementation of these models.

The Central Government has already implemented the most critical recommendations of the Coelho Committee as it has enacted the Electricity Regulatory Commissions Act, 1998 with a view to rationalize tariffs, promote competition, efficiency, economy etc. The Central Electricity Regulatory Commission has been constituted and has started functioning. This Act enables State Governments to

set up State Electricity Regulatory Commissions (SERCs). So far, 16 States have notified constituted of SERCs and most of the remaining States have indicated setting up their SERCs in next six months.

As distribution of power is the responsibility of the States, the Central Government circulated the report to the State Governments for their consideration with the request that they may initiate power sector reforms. While Orissa has fully privatised distribution of electricity, Delhi, Karnataka, Rajasthan, Uttar Pradesh and Andhra Pradesh plan to bring in private sector participation in distribution. The Government has set up a Committee under the chairmanship of Secretary Power on 9th March, 2001 on distribution reforms. One of the terms of the reference of this Committee is to review the Coelbo Committee's recommendation and their implementation.

Selling the Ramagundam and Korba Projects of NTPC

† 3564. SHRI JHUMUK LAL BHENDIA: Will the Minister of POWER be pleased to state:

- (a) whether it is a fact that World Bank has advised the Secretary (Power) to sell the Ramagundam and Korba projects of NTPC with a view to attract private investment;
- (b) if so, to what extent Government have taken seriously along with the action taken in the direction of privatisation; and
- (c) whether there is a proposal under consideration to modernise and renovate the said plants, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) The World Bank had expressed their views on disinvestment. Based on preliminary assessment, the Bank had observed *inter alia* that NTPC's Kahalgaon (840 MW) and Ramagundam (2100 MW) Super Thermal Power Projects (STPPs) would be promising for disinvestment.

The Disinvestment Commission after considering various aspects of NTPC have earlier recommended that no disinvestment be taken

† Original notice of the Question was received in Hindi.